

The AMERICAN OBSERVER

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

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WORLD COURT ISSUE AGAIN BEFORE SENATE

American Entry Advocated by Many Who See Real Peace Machine at The Hague

WOULD USE "ROOT FORMULA"

Isolationists Oppose Our Joining, Fearing U. S. Entanglement in European Politics

For the last ten years the World Court issue has been a smoldering ember of American politics, breaking now and again into a flame of public controversy. Time after time the Senate has wrestled with the question as to whether the United States should join. There have been weeks of quibbling over the terms upon which our government might accept the Court, or, as they say, adhere to it. Then the issue has lain dormant for awhile. Just now it is before the Senate and the American people again, and is claiming the attention of the nation.

HISTORICAL BACKGROUND

When the World War closed and the nations were assembled at Versailles to draw up terms of peace, it was widely proclaimed that they would set up machinery which would insure not only an immediate but a permanent peace. The burdens of the great conflict had been somewhat easier to bear because of the universal cry that it was a "war to end war." So the statesmen gathered at Versailles in 1919 planned that there should be created a court to which nations might bring their disputes for settlement. It was thought that occasions for war might thus be removed.

The League of Nations, which was set up by the Peace Conference, largely through the efforts of Woodrow Wilson, president of the United States, went to work at the task of establishing such a court. Another American, Elihu Root, a former secretary of state, helped materially in the drawing up of the plans. Finally, in 1922, the machinery was ready. The Permanent Court of International Justice was put into operation.

The Court consists of fifteen judges and four deputies, each serving a term of nine years. The judges are elected by the Assembly and the Council of the League of Nations. In order to secure election, a judge must receive a majority in both these bodies. The Court chooses its own president. It holds a session each year, meeting ordinarily on June 15, and continuing its work as long as cases remain to be considered. A man may be elected to serve as a judge even though his country is not a member of the League of Nations, and even though it does not adhere to the Court. At present an American, Frank B. Kellogg, former secretary of state, sits as a judge.

NATURE OF THE COURT

Individual citizens are not allowed to bring cases before this Court. Only nations do so. A nation belonging to the League of Nations has a right to submit a case to the Court at any time, and a nation, not a member of the League, may make use of the Court if it promises to carry out the Court decisions. The na-

(Concluded on page 7, column 1)



OGDEN L. MILLS

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New Bill to Increase Taxes Is Introduced into House of Representatives

The huge deficit which has been piling up in the Treasury budget month after month has long made it evident that there would have to be drastic increases in taxes. For the past three months the Ways and Means Committee of the House of Representatives has been working over a bill designed to balance the nation's budget by wiping out a deficit which, it is estimated, will amount to \$1,410,000 by July 1, 1933.

The new bill was introduced on the floor of the House on March 7, where it will be debated, voted upon and sent to the Senate. It is the product of the work of the Ways and Means Committee under the acting-chairmanship of Representative Crisp of Georgia. However, much of the credit must go to the new secretary of the treasury, Ogden L. Mills. He has co-operated closely with the committee in the drafting of the bill, and although it differs in many respects from the proposals originally made by the administration, Secretary Mills has given it whole-hearted approval.

It is not thought that there will be many substantial changes made in the new tax bill as it passes through the House and Senate. It is true that it will have a number of opponents, but the Democrats are confident that they will receive the support necessary to its adoption. We may, therefore, be reasonably certain of the extent

to which individuals throughout the country will be affected by the tax increases.

According to reliable estimates, 3,500,000 citizens will be required to pay income taxes whereas only 1,500,000 do so at present. An unmarried person with a net income of \$1,000 or more will be subject to taxation where the former exemption was \$1,500. Married persons will be taxed on incomes of \$2,500 or more, instead of on \$3,500. On incomes up to \$4,000 the rate is increased from one and a half to two per cent, and it graduates upward until it reaches five to six per cent on incomes of \$8,000 or more. On incomes of \$10,000 or more there is a surtax, or additional tax beginning at one per cent and increasing to forty per cent on incomes of over \$100,000.

A second important feature of the bill which will affect the pocketbook of practically everyone is the new sales tax of two and one-fourth per cent. With the exception of certain food products classed as necessities every manufactured article sold will be subject to this tax. A corresponding increase in prices is to be expected. Finally the bill places tax of ten per cent on amusements, a tax on long distance telephone, telegraph and radio messages, an increase in the tax on corporations, a larger inheritance tax and a gift tax.

OPERATIONS OF STOCK MARKET INVESTIGATED

Congressional Committees Study Effects of "Short Selling" Upon Prices of Stocks

WHITNEY DEFENDS PRACTICES

Claims Activities of "Bears" Tend to Stop Great Fluctuations in Prices

Congress is giving a great deal of attention this winter to the operations by which the stock of corporations is bought and sold. The Judiciary Committee of the House has been investigating the activities of the Stock Exchange and now a similar investigation is being conducted by the Senate Committee on Banking and Currency. The House committee was concerned chiefly with the practice known as "short selling," which we shall describe later in this article. The hearings of the Senate committee are covering a wider scope.

The suspicion has been expressed in Congress and elsewhere that the buying and selling operations are manipulated in such a way as to influence prices. There are those who think that stock market speculations have had something to do with bringing on the business depression and with prolonging it. They think that the market in stocks or securities should be more closely regulated by the government. That is the explanation for the investigations which the congressional committees are carrying on.

THE STOCK MARKET

It is well known that most of the business of a country is carried on by corporations. The typical firm engaged in manufacturing, or mining, or transportation, or banking, or merchandising, is not owned by a single individual, or even by a few partners. It is owned by a great number of people, each of whom has purchased shares of its ownership. The largest of these corporations is the American Telephone and Telegraph Company, the stock of which is divided into about 18,000,000 shares. It was estimated some time ago that these shares were owned by about 350,000 persons. That number of people, then, own the American Telephone and Telegraph Company, some of them possessing a large number of shares and others only a few. The value of these shares fluctuates, but for several weeks a share has sold at from \$110 to \$130.

Other large corporations have a widely distributed ownership. The Standard Oil Company of New Jersey some time ago had 300,000 owners. About 800,000 people own stock in the railway companies. Over a million have money invested in the electric light and power companies—or they did have some time ago when figures were made public.

One may buy stock in a corporation as an investment. Turn to the table on page two to see what you could do in the stock market. One of the companies listed, you will find, is General Motors. In the first column you will find that during 1932 it has sold for as much as 24½ dollars a share. It has sold as low as 19½. On the day for which the figures were given, March 2, it ranged in price from 21½ to 22, and closed at 21½, which was ⅞ of



GANGWAY
—Talburt in Washington News

a dollar more than its closing price on the previous day. On March 2, there were 26,000 shares sold on the New York Stock Exchange. You will notice that there is the figure 2 in parentheses after the name of the company. That means that it pays a dividend of two dollars a year on each share of stock.

INVESTMENT AND SPECULATION

You may decide that it would be a good investment for you to buy General Motors. Let us suppose that you pay twenty-two dollars for a share. You know that you will receive two dollars a year on this investment. That would be a good rate on your money—almost ten per cent. You make investigations and find out that the General Motors Company paid a three dollar dividend until about a month ago when the dividend was cut to two dollars. You find that it is earning enough at present to continue the two dollar dividend, so you feel that you will probably continue to get that rate. You think, too, that when prosperous times return and the business of the General Motors Company, along with other automobile companies, picks up, your share of General Motors will be worth more than it is—perhaps several times as much. So you buy your share as an investment.

You may, however, enter the market as a speculator. You do not care to hold the stock for a long time. You wish to make a little money quickly. You buy, let us say, 100 shares of General Motors at twenty-two dollars a share with the thought that it will go up within a few days. Perhaps the next day it goes up to twenty-three dollars. Then you sell your 100 shares and have a profit of \$100, minus the commission and taxes charged on the sale which amount to a little over \$30. You have nearly \$70 clear. Of course, if the stock goes down, as, in general, stock has quite consistently since October, 1929, you lose.

Millions of people have been engaging in speculative activities of this kind. The machinery for the buying and selling of stock is quite simple. One goes to his banker or broker and puts in an order to buy or sell stock. That order is telegraphed immediately to the New York Stock Exchange and there it is executed. The transaction is made in a few minutes' time. The New York Stock Exchange is the center for the purchase and sale of stock in most of the larger corporations doing business in the United States.

SHORT SELLING

But suppose, now, that you think that General Motors will not go up immediately. It is selling, let us say, at twenty-two dollars a share. You do not think that it will be twenty-three dollars or twenty-four dollars in a day or so. You think it will go down to twenty dollars. How are you to make money on it? You do it by

the process which is being discussed so much in Congress just now—by the operation known as "short selling."

You think to yourself, "If I could only arrange to sell 100 shares of General Motors at its present price, twenty-two dollars a share, and could find a way to delay my delivery of it for a few days, I could make a great deal of money, because I could probably buy it then for twenty dollars a share. Then I could turn it over, collecting twenty-two dollars a share and have two dollars profit on each." You go to your broker and tell him what you have in mind and he says, "I can arrange that for you by what we call a 'short sale.' Even though you do not have any General Motors stock, you may put in an order to sell 100 shares at twenty-two dollars a share. Someone, of course, will wish to buy it at that figure. I will borrow the stock for you from a broker who has it to lend and the 100 shares will be delivered to the purchaser." So you go ahead and make that deal. Then let us suppose that a day or two later General Motors falls, as you thought it would, to twenty dollars a share. You then have your broker buy you 100 shares of General Motors at twenty dollars a share and pay back the broker from whom your broker had borrowed. You thus close the deal. You buy 100 shares of General Motors at twenty dollars, or \$2000. You have already sold it for twenty-two dollars a share, or \$2200. So you have \$200, minus commissions and taxes, clear.

"BULLS" AND "BEARS"

Of course, the deal has been a risky one. Suppose that General Motors, instead of going down to twenty dollars a share, had increased in price to twenty-four dollars. Suppose there was no hope that it would go lower. Then you would be obliged to pay twenty-four dollars a share for it in order to return what had been borrowed. In that case you would lose the \$200, plus the commissions. You see there are people who gain when prices go down and who lose when prices go up. These are the people who sell short. They are known as the "bears;" while those who are buying stock, profiting when it goes up, are the "bulls." Now we are ready to examine the problem which is being investigated in the Senate and the House of Representatives. A good many people believe that short selling should be curbed. They think it has a harmful effect on stock prices and on business prosperity. Here are some of the specific charges which have been made:

AGAINST SHORT SELLING

There are very wealthy speculators who make a practice of selling short. They make short sales, not of a few shares in some company, but of thousands of shares. They do it for the purpose of depressing the market so that they may later buy the stock which they have sold at a lower price. A great market manipulator, it is said, may figure it this way: "If I sell several thousand shares of General Motors at twenty-two dollars a share, and especially if I get several other men who are in league with me to make heavy sales of General Motors on some particular day, other people who hold stock in that company may grow uneasy. They may think that if so much of this stock has suddenly been thrown on the market there must be something wrong with it. There will be more people selling than there are people willing to pay at the market price, and so the price will go down. Then I and my associates can buy the stock back at the lower figure." A concerted movement of this kind to force the market down is called a "bear raid."

Sometimes the "bear raiders," or short sellers, go even further than this. They sell stock short and then in order that the price may go down so that they may buy it back at a lower figure, they may spread

false rumors about the company whose stock they have sold. They may put out reports that the company is in a bad condition. Thus they scare people who own shares of this stock and bring about a scramble to sell. This will depress the price. Probably it will hurt the price, not only of this particular stock but of the stock in other companies as well. For rumors of that kind, accompanied by heavy selling, may create an atmosphere of uneasiness which will depress markets generally.

The charge is made that the recent declines in stock prices which have been so injurious to people who have bought stock in good faith for investment purposes, have been due in large part to the operations of great interests which have made it a practice to sell short and thus depress markets for their own gain.

In order to prevent abuses of this kind, several bills have been introduced in Congress. One of these bills would prohibit short selling altogether. Another would make it criminal for one wilfully to transmit false information tending to affect the price of any stock. Other bills would place restrictions upon short selling operations.

Mr. Richard Whitney, the president of the New York Stock Exchange, was called before the House of Representatives Judiciary Committee to give his ideas about short selling and to tell whether, in his opinion, legislation against the practice would be desirable. Mr. Whitney approved the enactment of legislation to make illegal the giving out of false information about any company for the purpose of depressing the price of its stock, but he opposed legislation to forbid short selling. He declared that the public benefits from the practice of short selling. The arguments which he gave may be summarized as follows:

DEFENSE OF SHORT SALES

Short selling does not permanently depress prices. Those who sell short, when they think prices are higher than business conditions justify, become buyers of stock as soon as prices fall. If speculators sell short when General Motors is at twenty-two dollars, and if their operations tend then to depress the market, these same speculators become buyers of General Motors when it reaches twenty dollars (to use

the figures which we assumed early in our article), and their operations tend to bring the market back up. The total effect of short selling is thus to steady the market—to keep it from going unduly high when it has started up, and from going unduly low when it has started on a decline.

If it were not for short selling, prices would go to dizzy heights during a period of optimism. Then when they begin to fall there would be nobody to buy and prices would go to unreasonably low levels. After a serious crash on the stock market, the "bears," those who have been selling short, are the only people who have made money. They are the only ones who have anything to put in the market. They are the only ones who can begin buying. They, and they alone, can start prices back after a sharp decline.

Organized "bear raids" are seldom carried on successfully. The New York Stock Exchange voluntarily made a rule a few weeks ago that when anyone gives an order to sell short he must make an announcement that it is a short sale. He can no longer make it appear that he has been an owner of stock and has thrown it on the market. There is, therefore, less likelihood that he can create uneasiness which will depress the market. Short selling operations stand labeled as such, and thus they cannot so well be used by manipulators undertaking to make "bear raids."

If short selling were forbidden (we are still summarizing Mr. Whitney's argument), there would be times when there would be no stock for sale, or for purchase. As it is, one can be sure that within a few minutes he can sell or buy stock at some figure—at the market price. But if no one were in the market except people who wanted to buy stock outright or who had stock that they wanted to sell, there might not at a given time be a ready sale. Corporation stock might then be a "frozen asset"—something that could not readily be disposed of.

THE LINE UP

The efforts to regulate stock market operations, and especially short selling, are backed by two quite different sets of people. In the first place the movement for regulation is favored by certain radicals, (Concluded on page 8, column 3)

New York Stock Exchange

WEDNESDAY, MARCH 2, 1932.

Day's Sales.	Tuesday.	Monday.	A Year Ago.	Two Years Ago.
*1,771,713	*732,525	*880,540	3,076,867	3,715,090
Same Period				
Year to Date.	1931.	1930.	1929.	1928.
*68,565,250	115,981,337	143,643,226	210,741,370	117,261,115
*Unofficial.				

1932.	High.	Low.	Stock and Dividend in Dollars.	First.	High.	Low.	Last.	Net Ch'ge.	Closing Bid.	Ask.	Sales.
5 3/4	2 1/2	1 1/2	Fox Film, A	3 1/4	3 1/4	3 1/4	3 1/4	+ 1/4	3 1/4	3 1/4	1,600
19 1/2	15 1/4	14 1/2	Freeport Texas (2) ...	18 1/2	19	18 1/2	19	+ 1/2	18 1/2	19	700
17 1/8	11	10 1/2	Gamewell Co. (1).....	12 1/2	12 1/2	12 1/2	12 1/2	..	11 1/2	12 1/2	110
61	49	48	Gen. Am. In. pf. ww(6)	59	59	59	59	..	60	59 1/2	300
34 1/2	28	27	Gen. Am. Tank Car (4)	32	33 1/4	31 3/4	33 1/4	+ 1 1/4	33	33 1/4	2,600
15 1/2	11	10 1/2	Gen. Asphalt (1).....	11 1/2	12 1/2	11 1/2	12 1/2	+ 1/2	11 1/2	12 1/2	2,600
19 1/2	11	10 1/2	Gen. Baking (2).....	18 1/2	19 1/2	18 1/2	19 1/2	+ 1 1/2	19 1/2	19 1/2	2,400
38	28 1/2	27 1/2	Gen. Cigar (4)	37	37	37	37	+ 2 1/2	36 1/2	37 1/2	100
26 1/2	17 1/2	16 1/2	Gen. Elec. (1.60)	20 1/2	21 1/2	20	21 1/2	+ 1 1/2	21 1/2	21 1/2	30,000
11 1/2	10 1/2	10	Gen. Elec. special (60c)	11	11	11	11	+ 1/2	11	11 1/2	400
36 1/2	31 1/2	30 1/2	Gen. Foods Corp. (3)...	36	36 1/2	36	36 1/2	+ 1	36 1/2	36 1/2	6,400
2 1/2	1 1/2	1 1/2	Gen. G. & E., A. (b6% stk.)	2 1/2	2 1/2	2	2	..	2	2 1/2	600
37	31 1/2	30 1/2	Gen. Mills (3)	36	36 1/2	36	36 1/2	+ 1 1/2	36	36 1/2	400
24 1/2	19 1/2	18 1/2	Gen. Motors (2)	21 1/2	22	21 1/2	21 1/2	+ 1/2	21 1/2	22	26,000
86 1/2	80 1/2	79 1/2	Gen. Motors pf. (5)....	84 1/2	84 1/2	84 1/2	84 1/2	..	84 1/2	85	300
14	11 1/2	11	Gen. Printing Ink (1)...	11 1/2	11 1/2	11 1/2	11 1/2	+ 3/4	11 1/2	12 1/2	70
60	44	43	Gen. Print. Ink pf. (6)*	56	56	56	56	+ 1/4	56	57 1/2	30
5	3	2 1/2	Gen. Public Serv.	4	4	4	4	..	4 1/2	4 1/2	100
28 1/2	19 1/2	18 1/2	Gen. Rwy. Signal (3)...	25 1/2	26	25 1/2	26	+ 1/2	25 1/2	26 1/2	400
1 1/2	1	1	Gen. Realty & Util.	1	1	1	1	+ 1/2	1	1 1/2	100
1 1/2	1	1	Gen. Theatre Equip.	1 1/2	1 1/2	1 1/2	1 1/2	..	1 1/2	1 1/2	7,900
23 1/2	10 1/2	9 1/2	Gillette Safety Razor (1)	20 1/2	23 1/2	20 1/2	23 1/2	+ 2 1/2	23 1/2	23 1/2	69,100
67 1/2	50	49	Gillette Saf. Raz. pf. (5)	66 1/2	67 1/2	66 1/2	67 1/2	+ 1	66 1/2	67 1/2	800
6 1/2	5 1/2	5	Gobel (Adolf)	5 1/2	5 1/2	5 1/2	5 1/2	+ 3/4	5 1/2	5 1/2	300
19 1/2	16	15 1/2	Gold Dust (2 1/2)	17 1/2	18 1/2	17 1/2	18 1/2	+ 1 1/2	18 1/2	18 1/2	2,500
17 1/2	12 1/2	11 1/2	Goodyear T. & R. (1)...	15 1/2	16 1/2	15 1/2	16 1/2	+ 1 1/2	16 1/2	16 1/2	800
56 1/2	43	42	Good. T. & R. 1st pf. (7)	56 1/2	56 1/2	56 1/2	56 1/2	+ 1 1/2	56 1/2	57 1/2	100
11 1/2	7 1/2	7	Gotham Silk Hosiery...	11	11 1/2	11	11 1/2	+ 1/2	11	11 1/2	500
4 1/2	2 1/2	2 1/2	Graham-Paige Motors...	3	3	3	3	+ 1/4	2 1/2	3	100
7 1/2	5 1/2	5	Granby Consol. (50c)...	6	6	6	6	..	6 1/2	6 1/2	200
9	6 1/2	6	Grand Union	8	9	8	9	+ 1 1/2	8 1/2	9 1/2	2,500
32 1/2	23 1/2	22 1/2	Grand Union pf. (3)...	32	32	32	32	+ 1 1/2	31 1/2	32 1/2	200
29 1/2	25 1/2	24 1/2	Grant (W. T.) (1).....	28 1/2	28 1/2	28 1/2	28 1/2	+ 1/2	28 1/2	29	200
25	16 1/2	15 1/2	Great Northern pf. (2)...	19 1/2	20 1/2	19 1/2	20 1/2	+ 1 1/2	20 1/2	21	2,300
80	68	67	Gt. West. Sug. pf. (7)*	68 1/2	68 1/2	68 1/2	68 1/2	..	68 1/2	69	20
1 1/2	1	1	Grigsby-Grunow	1 1/2	1 1/2	1 1/2	1 1/2	..	1 1/2	1 1/2	500
2 1/2	1 1/2	1 1/2	Hahn Dept. Stores.....	1 1/2	1 1/2	1 1/2	1 1/2	..	1 1/2	1 1/2	200
3 1/2	1 1/2	1 1/2	Hartman Corp., A.....	1 1/2	1 1/2	1 1/2	1 1/2	+ 1/4	1 1/2	1 1/2	300
1 1/2	1	1	Hartman Corp., B.....	1 1/2	1 1/2	1 1/2	1 1/2	+ 1/4	1 1/2	1 1/2	1,500

A SECTION OF THE PRICE QUOTATIONS OF STOCKS LISTED ON THE NEW YORK STOCK EXCHANGE



—Courtesy Canadian Pacific
SUMMER SUNSET IN HISTORIC QUEBEC

Correspondence From Young Canadians Reveals Attitude on Current Problems

It is always interesting to hear directly from people who live in foreign countries and to know what they are thinking and saying about conditions which prevail in those lands. It is easy enough to get the views of foreign public officials and newspapers, but it means a great deal more if we can have the opinions of people in private life who do not make a business of writing for publication. The editors of THE AMERICAN OBSERVER receive quite a few letters from foreign countries and two of these letters which have come within the last few days may be of special interest to our readers. Both are from Toronto, Canada—one from a high school girl of sixteen, and the other from a young man of twenty-three. The girl makes the following comment upon the way the boys and girls with whom she is acquainted look upon the problem of business depression:

Regarding unemployment and the present world wide depression few of the younger crowd understand, or even try to appreciate, the position of their elders. Depression to them means only that they cannot take the car to school for the next few months, or that certain dances are barred because they must stay within the limits of their allowances. Toronto, of course, is just now beginning to feel the effects. We, in Canada, are a more conservative people than the Americans and have not been used to the exorbitant salaries that you have, and now don't have to take quite as large a reduction. The average school boy doesn't bother contemplating or worrying about such affairs—the elders can do that, they think complacently.

The young man, who apparently is quite a studious person working, as he says, during the day and spending his nights studying and reading history, economics and political science, has this to say about conditions in Canada as he sees them:

As for this section of the country, the wheels of industry are certainly slowing down day after day. Wage cuts, lay-offs, etc. Yet on the whole we are in a better position than the western farmers. The upper classes here seem to be spending and laughing, and going to theaters just as before, although of course not to the same extent as before, but the thing is that while these classes are enjoying themselves, at the same time thousands, even in this city of Toronto, are living (perhaps dying) in cellars, freezing, starving, and cursing the day on which they were born. There is very little radicalism here yet, but it is growing slowly. The students and professors are very active, and various associations have recently been formed at which public forums are held on public questions, especially designed to interest the working-man in the city.

This young Canadian then makes the

following observation about the coming Imperial Economic Conference, which will decide the British Empire's tariff policy:

The Imperial Economic Conference is to be held at Ottawa in July of this year, and I believe that this conference will show definitely and conclusively whether the British Empire is to exist as such, or whether it will be broken up. Britain is in a very bad condition, and what she wants is for the Dominions in the Empire to buy her industrial products for which she is willing to allow our foodstuffs to enter there free of duty while putting a duty on foreign foodstuffs. The situation, however, is this: All the Dominions, Canada, South Africa, Australia, etc. want to foster their own industries, and therefore the mother country is going to have a very hard time, I believe, at the conference, and there is a possibility of failure there. It is really the culminating point in the history of the British Empire.

I, for one, would not like to see the conference succeed because it will mean that the Empire will put a tariff wall around itself against the whole outside world. This will tend very likely to make the nations of Europe form some kind of economic union amongst themselves out of sheer necessity, and there will thus be three or four sections of the world against each other economically, and out of this tariff war there is very great danger of military war arising. However, on the other hand, I will watch the conference with great interest because if it succeeds I wonder if it would not be possible somehow to make this the nucleus of a much larger conference embracing the whole world on the same lines as this Empire conference, that is for the reduction of tariffs and for the exchange of commodities to the advantage of all.

Turning from the depression to the attitude of the Canadian boys and girls toward the possibility of war, the high school student whom we have quoted makes this comment, which is quite philosophical for a girl of sixteen years and which should set students everywhere to thinking:

As for the current issue of the Chinese-Japanese conflict—most of the youth feel quite confident that before long they will be going to war. Little thought is given to the disastrous results—the excitement and adventure grips them just as it must have done in 1914. How can one argue with them? What can one say to them? Yet they constitute the mob, and mob feeling has to be regarded.

Another of our Canadian correspondents, a young man from Hamilton, Ontario, complains of a lack of interest on the part of the Canadians in public affairs. He thinks that his country, like all the rest, is facing a very serious crisis and that the people need to consider carefully what should be done. Few of them, however, are rising to the occasion. They do not read consistently and are ignorant of major public problems.

WHEAT TO NEEDY

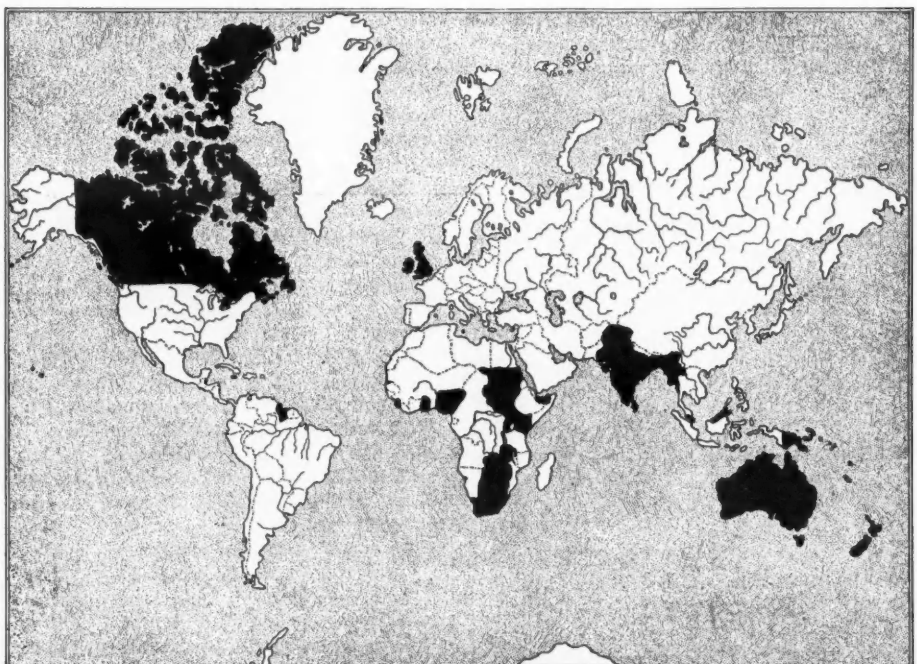
Forty million bushels of wheat were made available to the nation's needy on March 7 when President Hoover signed a bill turning that amount over to the American Red Cross. The wheat will be taken from the stores of the Federal Farm Board, a government organization set up in 1929 to lend assistance to the farmers. The bill provides that five million bushels of the total "wheat appropriation" shall be distributed as feed for livestock. Any part of the rest may be distributed

to the needy in the form of flour or bread, provided that the cost of milling or baking does not have to be borne by the government or does not have to be paid for with the wheat itself.

The president made no statement upon signing the wheat relief bill. Considerable uncertainty was expressed in some quarters as to what action he would take. It was thought by some that he would veto the bill because of his opposition to direct relief to those in need. It appears, however, that the president made a distinction between an appropriation from the federal treasury and turning over a commodity of which there is a tremendous surplus.

INJUNCTION BILL

By the overwhelming vote of 363 to 13, the House of Representatives passed the Norris-La Guardia anti-injunction bill on March 8. This act, regarded as the most important piece of labor legislation to have been enacted during recent years, had already been accepted by the Senate (see THE AMERICAN OBSERVER, March 9). There were a few minor differences between the bill as passed by the two houses. It has therefore been referred to a joint committee which will endeavor to reach an agreement.



—Prepared for THE AMERICAN OBSERVER
THE BRITISH EMPIRE

THOUGHTS AND SMILES

It is stated in a press dispatch that the Federal Farm Board will function indefinitely. Well, that's the way it has been functioning.
—*Thomaston (Ga.) TIMES*

Gossips are generally actuated by active ignorance.
—*Rochejoulcauld*

Somebody has suggested that the gangsters might be arrested for carrying concealed weapons. The difficulty with that is they never conceal them.
—*New York HERALD-TRIBUNE*

Mr. Hoover asks us not to hoard money, and we won't until we get some, anyhow.
—*Dallas NEWS*

A fellow has to be a contortionist to get by these days. First of all, he's got to keep his back to the wall and his ear to the ground. He's expected to put his shoulder to the wheel, his nose to the grindstone, keep a level head, and both feet on the ground. And, at the same time, look for the silver lining with his head in the clouds.
—*JUDGE*

Every hero becomes a bore at last.
—*Emerson*

Manila complains of the worst cold snap since 1914. The mercury got down to a fraction under 60 degrees and there was much suffering.
—*Minneapolis JOURNAL*

Man criticizes woman for her extravagance, but she never wastes two dollars' worth of shotgun shells in order to get a twenty-cent rabbit.
—*Louisville TIMES*

If conditions don't improve, it is likely a congressional committee will be appointed to hunt for that dollar Washington flung across the Potomac.
—*Columbus (Ohio) STATE JOURNAL*

Art is long, life short; judgment difficult, opportunity transient.
—*Goethe*

One of the scientists likens vitamin A to the perfume of violets, but to the non-scientific the perfume of corned beef and cabbage is much more suggestive of vitamins.
—*Boston TRANSCRIPT*

If the Chinese themselves can't conquer China, we don't see how the Japs expect to do it.
—*Philadelphia INQUIRER*

A well-known woman says that when she gets utterly depressed she always buys a new hat. But she doesn't say what she recommends for the woman who gets utterly depressed because she can't afford a new one.
—*(London) PASSING SHOW*

A wise man never loses anything if he has himself.
—*Montaigne*

PRONUNCIATIONS: Ernst Thaelmann (ehrnst tay'el-mahn), Theodor Duesterberg (tay-oh-dor dooes'ter-behrg—the ue in the first syllable of Duesterberg are pronounced simultaneously).

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WEDNESDAY, MARCH 16, 1932

REVIEW OF THE WEEK

IT does not lie within the scope of this paper to give an account of the shocking kidnapping of the son of the nation's most popular hero. Our readers are doubtless familiar with the details of the crime through the newspapers which have carried complete reports of all developments. There are, however, certain phases of the incident which may well be treated and which deserve the thoughtful consideration of every citizen.

Kidnapping has become in recent years what is known as a "racket." Members of the underworld in the large cities now make a specialty of this type of offense. Skillfully organized, they have managed with success to abduct and to hold for ransom individuals belonging to prominent and wealthy families. It is estimated that during the past two years 2000 persons have been kidnapped in the United States. It is rather surprising to learn that this crime is almost wholly confined to this country and is a comparatively rare occurrence in most foreign lands.

A partial explanation may be found in the fact that kidnapers have been able to evade the law with ease. Each state has its own laws for the punishment of offenders, but the difficulty is that kidnapers rarely confine their activities to the boundaries of one particular state. They lay hands on their victim in one locality and transport him to an adjoining state and perhaps to several other states as well. This makes capture all the more difficult. State police cannot cross over into another state to pursue the criminals but must rely on the cooperation of the authorities in that state. In doing this a great deal of time is lost and there is usually much confusion and uncertainty as to whether offenders can legally be captured and handed over to another state. Thus, kidnapers have often slipped through the arms of the law and have been able to collect their ransom.

With a view to providing a remedy for this admittedly deplorable situation, there is at present a bill before Congress which would make kidnapping a federal offense

whenever the offenders crossed state lines. In such a case federal officers would undertake to run down the criminals and there would be no difficulty in their going from one state to another. It is thought that the passage of this bill would tend materially to reduce the number of kidnappings because of the increased danger of capture and the knowledge that federal agents and federal laws would be put on the trail of criminals. There is one feature of the bill over which there is some difference of opinion. As introduced into Congress the bill makes kidnapping a capital offense punishable by death. Some think that each kidnapper is a potential murderer and should be punished by death. Others believe that this provision would make conviction all the more difficult and that in many cases kidnappers would kill their victims if they faced capture in order to hasten their escape.

There is another law before Congress which in all likelihood will be passed and will further assist federal authorities in capturing and convicting criminals. The proposed law would render the sending of threatening letters through the mails a federal offense punishable by fine and imprisonment. Curiously enough, while it is illegal to use the mails to defraud, the sending of threatening letters is not now punishable by law.

JUST as the Assembly of the League of Nations came into session on March 3 to consider the Shanghai affair, fighting in that region came practically to a standstill. The Japanese and Chinese had agreed in principle to a truce and an effort was being made to work out the details of the agreement. The Chinese retired to a point some miles west of Shanghai and the Japanese occupied the area around the Woosung Forts and took possession of Chapel. There was occasional firing between Chinese and Japanese troops but the fierce attack on Shanghai which began on January 20 came to an end.

The situation, however, was still very uncertain and continued peace was not definitely assured. The Chinese and Japanese were having considerable difficulty in deciding on the exact terms of the proposed truce. The original proposal made at Shanghai providing for the simultaneous withdrawal of both the Japanese and Chinese was rejected by the Japanese, who preferred to make a counter-proposal. They stated that they would agree to a cessation of hostilities provided that the Chinese should withdraw from Shanghai first. The Japanese said they could not retire until "normal conditions prevail." During the time of the truce the Japanese proposed a conference at Shanghai, in which the powers having interests in that city would take part. The conference would seek an agreement upon the means of having both Chinese and Japanese definitely withdraw from the district, and would determine measures for the restoration of peace and order at Shanghai and for the assurance of the safety of the foreign settlements and the lives and property of foreign residents.

The Chinese refused to consent to this truce but did not resume heavy fighting. Their troops were kept away from Shanghai and the Chinese spokesman at Geneva asked the League Assembly to take charge of the entire affair. The net result was the creation of a truce without a truce. Each power refused to accept the terms of the other, yet hostilities ceased save for some intermittent firing. Meanwhile the League Assembly awaited developments. It voted unanimously on March 5 for a cessation of the fighting between China and Japan. Representatives of the two countries were present at the meeting and each voted affirmatively. At the League meetings the smaller

powers vigorously called upon the Assembly to take decisive action. It was said that the issue was not only between China and Japan but also between Japan and the League. Demands were made that the Assembly follow the suggestion made by Secretary Stimson of having each nation declare that it would not recognize any settlement of the dispute brought about through the violation of established treaties. Other demands were made for a League boycott.

But the larger powers, notably France and Great Britain, appeared unwilling to go so far. They seemed disposed to go no farther at present than to reiterate statements made previously by the Council, reminding Japan of her obligations under the Kellogg Pact and the League Covenant and the Nine Power Treaty. However, the Assembly was deferring all action pending negotiations for a definite armistice at Shanghai.

ARISTIDE BRIAND, veteran French statesman, many times prime minister and foreign secretary, who retired from public life a few weeks ago on account of failing health, is dead. His passing removes from the scene one of the great actors in the post-war international drama. It does more than that. It deprives the world of a leadership such as no other man in this generation has furnished.



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ARISTIDE BRIAND

There are plenty of statesmen who have worked indefatigably for the welfare of their own countries and who have served their own people acceptably. M. Briand, indeed, was always mindful of the interests of France, but he will not be remembered because of what he did for France during the years he served as her first minister. His name will be associated with Locarno, with the Briand-Kellogg Pact outlawing war, with the plan for an economic union of Europe. So long as the histories of this era are read he will be remembered as one who stood for moderation in the dealings of one nation with another, and who worked untiringly for programs of peace and good will among the peoples of the earth.

AS a feature of the anti-hoarding campaign, President Hoover made a special plea to the nation on March 6. Speaking over a nation-wide hook-up, he requested the American people to restore their hidden money to the channels of circulation in order to assist in bringing about recovery from the business depression. "No one will deny," said the president, "that if the vast sums of money hoarded in the country today could be brought into active circulation there would be a great lift to the whole of our economic program." The appeal of Mr. Hoover was backed up by addresses given by Secretary of the Treasury Mills, Charles G. Dawes, president of the Reconstruction Finance Corporation, Senator Joseph T. Robinson of Arkansas, and Colonel Frank Knox, who is in charge of the anti-hoarding drive.

The particular occasion for this plea of national leaders was the opening of the sale of government "Baby Bonds" to combat the wave of hoarding which has swept over the country during the past few months. The bonds were placed on sale the following morning through the banks of the nation. Secretary Mills explained the advantages of those government securities. They may be redeemed upon sixty days'



TRYING TO PICK THE LEAST PAINFUL

—Wright in Ohio State Journal

notice by the purchasers—a feature which the ordinary government bonds do not have. They will bear interest at two per cent. Those in charge of the anti-hoarding drive, which has been organized in more than fifteen hundred cities, believe that hoarders will be anxious to invest their funds in these bonds instead of letting it lie idle in chests, safety-deposit vaults and other places of "security" where it is earning nothing.

A SERIOUS unemployment riot occurred on March 7 at Dearborn, Michigan. A crowd of 3000 men stormed the gates of the Ford plant, demanding jobs. They were met by tear gas bombs and finally by fatal volleys from the guns of the defending officers. Four men were killed outright and thirty-five were injured.

This is the first serious outbreak which has occurred during the unemployment crisis. The suffering millions have given a remarkable demonstration of calmness and restraint. It is not often that so much hunger has been endured with so little violence. Was this disturbance in Michigan merely a local demonstration not likely to be repeated, or was it symptomatic of a growing restlessness among the unemployed and was it indicative of a disposition to turn toward a more radical leadership? That is a question which many thoughtful citizens are asking.

THE presidential election was held in Germany on March 13. As this is written, the returns are not known and we shall therefore defer until next week a discussion of the results of last Sunday's elections. The latest reports, however, pointed to a reelection of the man who has been at the head of the German republic during the past seven years, Paul von Hindenburg. In the campaign which preceded the election, the old field marshal met considerable opposition—opposition from people who had supported him seven years ago. Particularly marked was this trend in his own province, East Prussia. The supporters of Adolf Hitler appeared to have made considerable progress in that region due largely to the adverse conditions among the agriculturists, who form the bulk of the population.

Of course, the two outstanding candidates in the recent German elections were President von Hindenburg and Adolf Hitler. There were, however, three other men who ran for the office. They were Theodor Duesterberg, candidate of the Nationalist People's party and the Steel Helmet League, Ernst Thaelmann, representative of the Communist party and Adolf Gustav Winter, candidate of the People's Revalorization League which was organized during the period of currency inflation of a few years ago. Herr Hitler obtained German citizenship a few days before the election which made it possible for him to run for the presidency.



A NATIONAL PERIL

—Fitzpatrick in St. Louis Post-Dispatch

THE LIBRARY TABLE

STUDIES OF OPINION

II

The St. Louis *Post-Dispatch*, which represents the liberal or progressive wing of the Democratic Party, refers with regret in a recent editorial to the fact that the Democrats are making no effort to lower the Hawley-Smoot tariff rates which a Republican Congress adopted. This paper considers the high tariff one of the chief obstacles to the return to prosperity. "There are, however, things that industry can do for itself," says the *Post-Dispatch*:

It can reduce the working day and the working week and so take up a great deal of the slack in employment. . . . Some of the industries have already restored part of their employees to the payroll on part time. They are doing this in a few cases when there is nothing more to do than to put the plant in order. The railroads have promised in a concert among executives to increase employment. Every industry can do something of this sort. Thus there can be taken out of the ranks of the unemployed most of the people for whom industry is directly responsible.

The New York *World-Telegram*, a Scripps-Howard paper, independent in party politics but an advocate of advanced liberalism, feels, as the St. Louis *Post-Dispatch* does, that the tariff is largely responsible for our ills. It refers to the tariff, however, as but one of a number of measures being taken in America to make intercourse with other nations more difficult. The postage on letters to foreign countries is to be increased. Passport fees are to be raised from six dollars to ten dollars. There is to be an increased tax on transatlantic tickets. Immigration into the United States was cut down last year to 43,000, whereas 90,000 immigrants departed. Isolationists are trying to defeat American participation in the World Court. "Everything," says the *World-Telegram*, "is being done to make us into a great island."

The Washington *Post*, Republican, and decidedly conservative, criticizes very severely the proposal to place a federal tax on gasoline. The *Post* argues that the national government is invading the field ordinarily occupied by the states when it engages in road building, or when it contributes money to the states to assist them in the building of roads. It then takes over a sort of taxation which heretofore has been reserved to the states to pay for these road-building activities. As the *Post* sees it, this activity of the government indicates a tendency for the national government to usurp the powers of the states and to leave them mere administrative units.

The New York *Evening Post*, which is also Republican and conservative, condemns the proposal which is being made in some quarters for national legislation guaranteeing bank deposits. It declares that bank guaranty experiments have been tried by a number of the states and have been found so unsuccessful that they have been repealed.

The New York *Times*, which is an independent Democratic newspaper, conservative, representing in general the views of large business interests, approves the investigation of the stock market, provided it is conducted in a spirit of honest inquiry and not with the intent of persecuting the stock exchange interests in order to win public approval. The *Times* apparently feels that many of the charges which have been made cannot be sustained, but thinks an open inquiry may bring out the truth.

The *Nation*, non-partisan, advanced liberal, makes this comment relative to "the widespread agitation against short selling":

It reveals a tendency to attack the symptoms and barometers of our difficulties rather than the difficulties themselves; it shows an astonishing solicitude on the part of members of Congress for the holders of securities, which they do not seem to feel, judging by the vote on the La Follette-Costigan bill, for people who are merely starving; the prohibition of short selling seems unlikely to protect even the bullish stock speculators in whose supposed interest it is urged, and in the long run will probably prove harmful to them.

DEPRESSION RELIEF

Among the numerous books on the current business depression, "Economic Stabilization in an Unbalanced World," by Dr. Alvin Harvey Hansen (New York: Harcourt, Brace and Company. \$3.00), ranks among the most thorough and scientific. The author is a professor of economics at the University of Minnesota. He has written several books on economic problems.

This book on economic stabilization is not easy reading. It is written for those who have a general background in economic theory. There are sections from which lit-

indirect effects upon the economic stability of all countries. They have caused an unusual and abnormal distribution of the world's gold supply, producing disturbances in various parts of the world. Dr. Hansen declares that the United States is largely responsible for present conditions. He points out that the American tariff has not only caused gold to flow into this country but it has prevented nations from selling their goods and has even made it more difficult for them to buy American products.

The section of the book devoted to world-wide unemployment is one which may profitably be read by those who are not so well-grounded in economics, since the author explains quite in detail the theory involved. After clearly defining the causes of unemployment, he considers one by one the schemes offered to combat it.



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THE BOURSE—THE STOCK EXCHANGE IN PARIS

The rising financial power of France has marked the "Years of Tumult" which have followed the World War. She stands now as the most powerful of the European countries.

tle profit will be gained by the average reader. On the other hand, those who are familiar with the fundamental principles of economics will find the book both informative and suggestive. The author challenges certain theories recently advanced by leading economists. He attempts to show the fallacies in many of the so-called "cures" for the depression. He points out that a proposed remedy may appear on the surface to offer a permanent and logical solution for the problems with which the world is confronted. But a close and complete examination may show that the "remedy" will not obtain the desired end and may even produce further dislocation and disturbance. Dr. Hansen analyzes proposed plans carefully before coming to definite conclusions as to their relative merits.

The argument is made that the world's ills are due largely to policies pursued by governments—those of the United States as well as those of other countries. Governments have thrown the world "out of balance" economically by following unsound economic policies. Among these governmental "mistakes," the author lists reparations payments, war debt payments and high tariffs as the most flagrant. He believes that these have had a direct effect upon the prosperity of Europe. But of far greater importance, he points out, are their

He looks upon the plan of shorter working hours with favor, though he does not regard it as a complete answer to the problem. During times of prosperity, when jobs are plentiful, laborers should work longer hours, he holds. Then, when a period of depression comes, they should work shorter hours and fewer days in order to distribute the work to a larger number of workers. This would render the burden less severe upon any group. Dr. Hansen says of this plan:

If the hours of labor could be made sufficiently flexible, the fluctuations in employment could, it would seem, be absorbed in toto over the whole body of gainfully employed persons. Boom periods could be taken care of by overtime and depression periods by short time. The workers could share in prosperity by working overtime at higher rates. This would offset the loss in earnings in depression periods, when short time is resorted to.

THE POST-WAR YEARS

Two weeks ago we called attention to Walter Lippmann's book which tells the story of 1931 and interprets the international problems of that year. The value of that book to our readers lay in the fact that it furnished a background for an understanding of what is going on today. There is scarcely a problem of 1932 which was not manifesting itself in 1931, and we need to follow the past developments. But

helpful as it may be to us to get a running start of a year when we approach a study of today's problems, we must recognize that a year is, after all, quite a short time. The historical roots of today's problems go back much farther than that. It is, in fact, impossible to draw a line and say that we must go to that point if we are to have a complete background against which today's developments should be viewed. We must go far into history to trace the roots of present conditions.

The beginning of the post-war era, however, may fairly well be taken as a starting point for the study of many subjects in the field of international relations. So much was changed by the war that the years since 1918 stand out in many respects as a new epoch in history, and if one studies those years carefully he may see today's international events in fair perspective.

"Years of Tumult," by James H. Powers (New York: W. W. Norton. \$3.00), tells the story of these post-war years. It supplies the material by which the period from 1918 to 1932 may be studied. It begins with the writing of the Peace Treaty and it carries the narrative to the Japanese invasion of Manchuria last fall.

The book is factual and yet the author does not avoid the expression of opinion. He holds, for example, that the Peace Treaty imposed impossible burdens upon Germany and laid the foundation for many of the troubles which have imposed themselves upon the world since that time. After a preliminary set of chapters on the making of peace and on the trends of political thought following the war, there follow chapters on all the important nations of the world—chapters which analyze events, policies and issues in these nations during the years in question.

Mr. Powers is a journalist, having been for a number of years foreign editor of the *Boston Globe*. He has written in a journalistic style, with a fairly light touch. The book is readable, informative, stimulating.

PERSONALITY BUILDING

"How can I realize the best possibilities that lie within me? How can I achieve the success that I am capable of achieving? How may I round out my personality so that I may lead a happy and helpful life?" These are tremendously important questions. They come sometimes to every thoughtful person. Satisfactory answers are perhaps impossible and yet much may be said which will help the inquirer along the way. Many books on efficiency, on character building, on personality development, have been written.

One of the best recent books of this kind is "Discovering the Genius Within You," by Stanwood Cobb (New York: John Day Company. \$2.50). Mr. Cobb is an experienced educator. He has served on the faculties of several institutions, including the United States Naval Academy. He helped to organize the Progressive Education Association and served as president of that organization. He believes that all people have within them the power of fine achievement. He says:

The power of creativeness is open to every one. Many people are discouraged. They have never realized their own possibilities. In consequence they never experience the fruitful activity and the happiness which could be theirs. It is perhaps our greatest human tragedy that so many people suffer this needless loss and allow themselves to suffer it; for in every human being, I believe, there is a spark of the creative nature.

Not every human being is capable of the same degree of distinctive and outstanding achievement. Indeed, if we took this attitude, we should be facing the problem in quite the wrong spirit. It is not to any one's advantage that people should strive to outshine one another. What we need is that they should develop their own ability to the full, irrespective of whether some one else has more or less. They should give free rein to their own uniqueness; and between the uniqueness of one man and the uniqueness of another, there can be no comparison.

This book supplies no quack solutions of life's major problems, but it does offer sound advice which should help one to develop enthusiasm, to select suitable intellectual environments, to adopt wholesome attitudes of mind, to overcome inertia and to discover sources of power within him which he might have left untapped.



THE Indian has, of course, played a considerable part in American history from the days of the earliest settlers. Indian problems in one form or another have come before every generation. The period to which we have now come in our series of studies—the period of the 1870's and 1880's—was characterized by an unusual interest in the Indian.

The Indian in History

This was a time of Indian wars. "More than a hundred pages are required to print a list of engagements of the troops with Indians between 1668 and 1882," says E. E. Sparks in "National Development." "To describe their causes," he says, "would be to show the whites almost invariably in the wrong. Encroaching settlers, miners, and prospectors; dishonest Indian agents and broken government promises; starving Indians and near-by herds of cattle; personal encounters in remote regions which grew into mutual charges of murder; forced removal from the paths of progress to distant and undesirable lands—these and similar causes were responsible for the prolonged warfare which was to determine the survival of the fittest."

We are likely, when we come to this period in our histories, to read of these Indian wars, because fighting is always spectacular and nearly always claims the attention of readers. Of more lasting significance were certain changes which came about in the attitude of the government toward the Indians. A so-called "peace policy" came into practice during Grant's administration, and an effort was made to treat the Indian as an individual rather than as a tribesman, and to set him on the road to civilization.

This program was, of course, not carried out effectively and sincerely at all times. There has not been a decade of our history, either before this era or afterward, when the Indian has been treated with full justice. But a number of the tribes were absorbed into the white

Founding of Indian Schools

population, and the policy of establishing industrial schools for the Indians gained considerable headway. Sparks describes briefly the development of this idea:

At various times, beginning with 1819, the federal government made small appropriations to aid missionary schools established among the Indians of the eastern states by various religious denominations. About 1873, under the influence of the peace policy, Congress inaugurated a new method and appropriated twenty thousand dollars to be used directly by the government in educating the Indians, and increased the sums for this purpose annually until they passed the million-dollar mark within fifteen years. The schools provided for in this manner were located for the most part on the different Indian reservations; but in 1878 seventeen Indians, who were prisoners in Florida, were sent as an experiment to a normal and industrial school for negroes which had been opened a decade before in the abandoned war barracks at Hampton, Virginia. The hope that the young Indians, when removed from the enervating influence of the reservation, would progress more rapidly in the arts of civilization, was well founded. Consequently, Captain R. H. Pratt was authorized to bring fifty more Indians from Dakota, and in 1879 an abandoned army post at Carlisle, Pennsylvania, was made into the United States Training and Industrial School for Indians.

Other industrial schools were opened at Lawrence, Kansas, Chilocco, Oklahoma, and elsewhere. Boarding-schools

were also established on the reservations, to which Indians were sent. In 1880 more than seven thousand Indian children were in school, and not less than twice that number of adults were engaged in useful labor, knowledge of which they had acquired in schools.

These Indian schools have been maintained. They carry on a work of industrial training, and the general impression is that they are doing a fine work in fitting the Indians to live on higher levels. Charges are made, however, that these schools are not well provided for. Mr. John Collier, executive secretary of the American Indian Defense Association, says:

The Indian boarding schools are at present crowded to 38-8/10 per cent beyond their physical capacity. This unhygienic herding of Indian children into densely over-packed concentration institutions is costing the government three and a half times more per capita for Indian education than per capita cost of the adequately equipped, adequately staffed public schools of our western states. Meantime large numbers of Indian children are left without schooling.

Mr. Collier goes on to describe the treatment of the Indians in these terms:

The Indian tuberculosis death rate in the registration area is six times the white death rate, according to the United States census. In the country as a whole the Indian tuberculosis death rate based on population comparisons is seven and a half times the white tuberculosis death rate, according to (the then) Commissioner Burke of the Indian Bureau. The Indian death rate under one year of age is two and five-sevenths times the general population rate, according to the United States census. Commissioner Burke states that the Indian death rate between one and three years is higher than between birth and one year. About 21 per cent of the Indians, or more than 60,000, are suffering from trachoma, which causes blindness, according to Doctor Guthrie, chief of the Indian Bureau medical service.

And Professor Haven Emerson, of Columbia University, president of the Amer-

ican Indian Defense Association, makes this emphatic declaration:

Outside the boundaries of Russia, India, or China, I know of no nation, race, or tribe of human beings which now exhibits such tragic neglect of the most elementary protection against sickness and death as is to be found among the American Indians.

This question as to the justice and efficiency of the treatment accorded the Indian in our own time is a controversial issue. Dr. Ray Lyman Wilbur, secretary of the interior, while admitting that many mistakes have been made, takes issue with those who unreservedly condemn our government's Indian policy, "I think," he says, "we can say that no native people has ever been better treated by the invader and his dominating civilization than has the American Indian by the government of the United States. . . . The best answer to those criticisms that are so common is a record of constructive achievements." Secretary Wilbur then presents a list of services to the Indians performed by the government during the last two years. Summarized, the achievements are as follows:

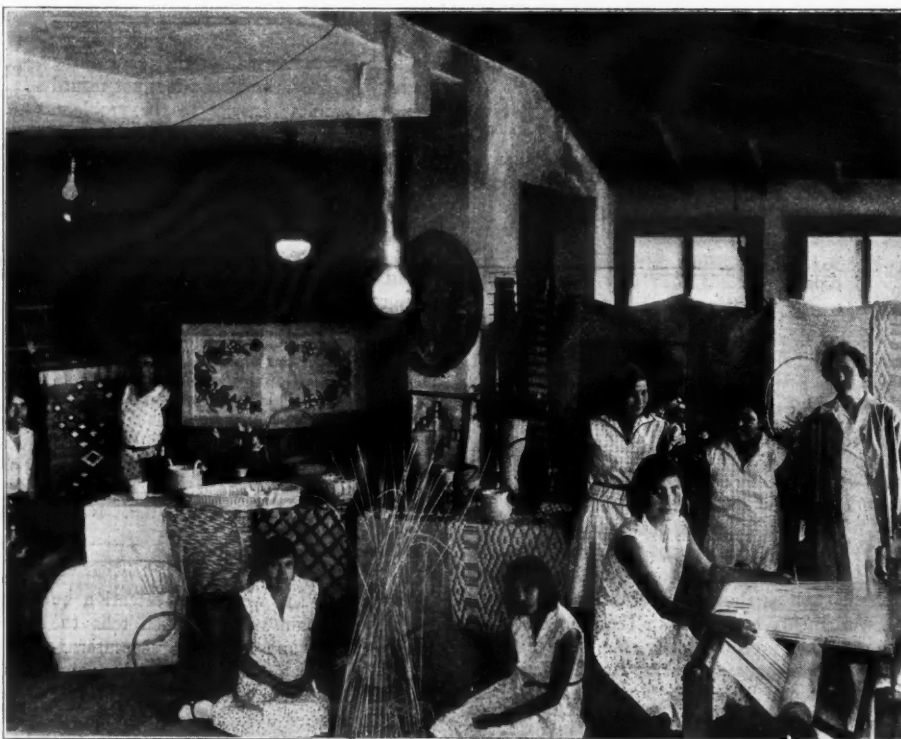
- (1) Increased appropriation for 1932 by 30 per cent, or \$6,000,000, over 1930. (2) Nationally known experts have been appointed directors of the various important field divisions—education, irrigation, agricultural extension and industry. (3) Twenty specialists in various branches have been added to the supervisory service; certain superfluous administrative offices have been abolished. (4) \$50,000 per annum appropriation to employ Indians. (5) Indian arts and crafts have been given a greater emphasis in the schools. (6) Entrance requirements for such positions as teachers, principals, boys' and girls' advisers, school superintendents and farm agents have been raised, and better prepared persons are being recruited for the Indian Service as a result. (7) Home demonstration programs, centering on work with Indian women in their homes, have been launched on eight reserva-

tions. (8) Vocational training has been given great emphasis in the schools. (9) The Boy and Girl Scout organizations are actively assisting in the organization of Scout troops and the training of Scout leadership in the Indian Schools. (10) Ten hospitals, totaling 440 beds, have been completed in the fiscal years 1930 and 1931. (11) Many cooperative enterprises have been worked out between the Indian Bureau and the various state governments for health, education, and farm extension. (12) A program of stock-taking of the irrigation projects, including a cooperative appraisal of their social and economic value, has commenced under the new Director of Irrigation. (13) The Forestry Branch has made a general reconnaissance of grazing resources. (14) A power lease for the Flat-head Indians has been worked out with a license, with a full and adequate rental for the Indian owners and in the most advanced form ever issued by the Federal Power Commission. It protects the public against issuance of any securities except for cash and its equivalent and also provides for the "yardstick" of generating cost on the basis of actual cost plus only the allowed return upon actual investment cost.

(15) Provision for feeding Indian children has been secured through Congress so that the Indian service now has reached the standard food allowance of 37.8 cents per day, which was the figure set by an impartial group of specialists from government departments. (16) Through additional appropriations from Congress over 200 additional institutional employees have been added to the boarding schools to relieve children of unsuitable labor around the schools. While formerly it was necessary to use half the school time of children from the fourth grade up on institutional work, now nearly all children are attending school full time through the sixth grade, and three-quarters of a day above the sixth. (17) A progressive personal program has been started which includes recruiting, more attention to the training of employees already on the job, and the improvement of working and living conditions at the field stations. (18) The Washington Office has been completely reorganized to place direct administrative responsibility in the hands of new trained directors of activities. In addition, provision has been made for coordination of the program through setting up two assistants to the commissioners, one to correlate the "human relations" work and the other the work with the Indians' property.

Albert Bushnell Hart has a chapter on dependent races in his "National Ideals Historically Traced," and he declares that the presence of the Indian has put a strain on government and has had a brutalizing influence on the frontier. He says that the care of the Indians has had a demoralizing effect upon politics. He gives the government credit, however, for respecting the property rights of Indians. It did not, indeed, allow them to keep their old lands, but it has given them a share in other lands so that the Indian today is quite well to do. "Every man, woman and child of the living Cherokees," says Dr. Hart, "has a share in property held by the United States amounting to not less than ten thousand dollars."

There has been a dispute as to the extent to which the Indian race is being extinguished. It has sometimes been said that there are as many Indians in the United States today as there were in the same territory at the time America was discovered. Other estimates place the Indian population in 1492 at a figure two or three times as great. But an Indian problem there has always been. It has never been settled, but, like most of our problems, is a continuing one. It is no longer, of course, a question of protecting the white population from the Indians, but is one of caring for these national wards, educating them properly and perhaps assimilating them into our civilization.



—Courtesy U. S. Indian Bureau
INDUSTRIAL TRAINING IN INDIAN SCHOOL AT RIVERSIDE, CALIFORNIA
During Grant's administration the government began a program of developing industrial schools for Indians



THE PEACE PALACE AT THE HAGUE—MEETING PLACE OF THE WORLD COURT

WORLD COURT ISSUE AGAIN BEFORE SENATE

(Concluded from page 1, column 1)

tions which joined together to form the World Court are not obliged to bring all their disputes before it. They may use it if they see fit. They may, however, sign an agreement promising to bring before the Court every dispute they may have with another nation involving a question of law or fact. Many of the leading nations have signed this so-called "optional clause." The Court decides cases by a majority vote. French and English are the languages used in the proceedings.

The World Court resembles the United States Supreme Court in some ways, but in other respects it is unlike our highest tribunal. For one thing, our Court never renders advisory opinions. It decides points of law in cases which it is hearing, but it does not, on any occasion, give its opinion as to what the law is when a case involving the point is not before it. The World Court does not follow that rule. If the Council or the Assembly of the League of Nations makes a written request to it for an opinion as to some disputed point, it may give its advisory opinion. Since the Court began its work ten years ago, there have been twenty-five requests for advisory opinions, and twenty such opinions have been given.

AN ISSUE IN AMERICA

Although American citizens had much to do with the establishment of the World Court, or Permanent Court of International Justice, as it is officially called, our government did not associate itself with the nations which put the Court into operation. Should our country have gone along with the others? Should it do so yet? That has been, and is, one of our foremost problems of international policy. The United States might adhere to the Court even though it does not belong to the League of Nations. Provision has been made whereby our government might participate in the election of judges without associating itself with the League. But there has always been an influential body of Americans who have opposed our adherence, or, as the matter is popularly stated, our "joining" the Court. They have, to date, prevented our going in on terms which nations already in were willing to accept.

There are many people in America who think that this country should join with

the other nations in maintaining and using the World Court. Both the Republican and the Democratic Parties have declared repeatedly in favor of such action. Women's clubs, peace societies, teachers' associations, and other organizations which take a great interest in promoting international peace, have worked enthusiastically for the Court. Those who favor our joining it believe that our doing so would contribute to the peace of the world. These people view the problem in this way:

FOR THE COURT

The United States, so it is said, has declared itself in favor of arbitration rather than war. For many years it has

been a leader among the nations in advocating the peaceable settlement of disputes. Lately it has been a leader in promoting the Kellogg Treaty, or the so-called Paris Pact, by which the nations agree never to use force as an instrument of national policy. It is vain to talk about refraining from war unless some machinery is developed by which disputes may be settled without resort to fighting.

The World Court, so the argument goes, is such a piece of machinery. It has been established by the nations as a tribunal before which they may bring their differences. It is true that this Court, just as any other court, is fallible. It may make mistakes. It may at times render unjust decisions, but it furnishes the best available hope for the settling of problems justly. After all, there is no assurance that a resort to arms will insure a result in accordance with justice. The old "trial by combat" by which disputes among individuals were settled by fighting did not insure justice. The stronger man did not always have the just cause. It is more likely that desirable results will be obtained if decisions are made by eminent judges selected by a vote of the nations, than if the issues were fought out on the field of battle.

Advocates of our adherence to the World Court claim that the United States, by holding aloof, is standing out against the best plan for insuring peace that the peoples of the world have devised, and that our country, by taking this position, is forsaking its leadership in the cause of peace and is becoming a stumbling block. They say that we do lip service to peace but, for trivial reasons, object to concrete and definite plans which are brought forward to promote it.

THE OTHER SIDE

A relatively small but determined group has always opposed our having anything to do with the World Court. Those who take this position are the so-called "isolationists." They believe that the United States should play a lone game in international politics. They think that we should not become involved with the plans and programs

of other nations. They say that sooner or later such cooperation would lead us into quarrels which are European in origin and which do not directly concern us. They say that the World Court is the creation of the League of Nations and that our joining it would be a step toward our joining the League. They contend that the Court is not really a judicial body but that it is political. They say its decisions would not represent the opinion of jurists as to the law and facts in a given controversy, but that the decisions would rather be in accord with the programs and policies of the nations which control the Court. It is claimed that if the United States submitted its vital interests to such a body, these interests would be turned over to the tender mercies of foreign nations whose policies often run counter to our own.

Those who hold the views we have just outlined have attracted much notice because they have been bitter and loud spoken in proclaiming their ideas, but they have never been a majority. We would long ago have accepted the Court had it not been for another group of persons who do not condemn our joining the Court outright, but who have insisted that we shall accept it only with reservations. Those who take this position have looked with considerable favor upon the Court idea, but they have been suspicious of certain features of it, particularly the advisory opinions which it renders.

ADVISORY OPINIONS

Fear has often been expressed that the United States might be injured by these advisory opinions. We could protect ourselves from injury were it not for such opinions. If, for example, we were engaged in a dispute which we did not want to turn over to the Court, we would have the privilege of refusing to submit it for decision. But suppose we were not engaged in an immediate dispute and had no case before the Court. Suppose, however, that the Council of the League of Nations should ask the Court to render an advisory opinion about some matter that concerned us. Suppose that it should ask the Court for an advisory opinion on a matter touching the right of a nation to exclude immigrants, or to carry on a policy with neighboring nations such as we sometimes adopt under the Monroe Doctrine. The case might go to the World Court, so it is said, whether we wished it to or not, and the Court might render an advisory opinion, denying the principle of international law to which we hold. We would thus find our position outlawed.

Several years ago the Senate voted that the United States should adhere to the Court, but it insisted on putting into our

acceptance of the Court certain reservations, the most important of which dealt with this question of advisory opinions. It is said that we would join the Court, provided it were agreed by all the nations that if an advisory opinion were asked for on any matter in which the United States had an interest or claimed an interest, and if the United States objected to having an advisory opinion given on the matter, the Court should not render the advisory opinion. In other words, we would join the Court if we were given a veto on any proposal to have the Court render an advisory opinion.

SENATE NEGOTIATIONS

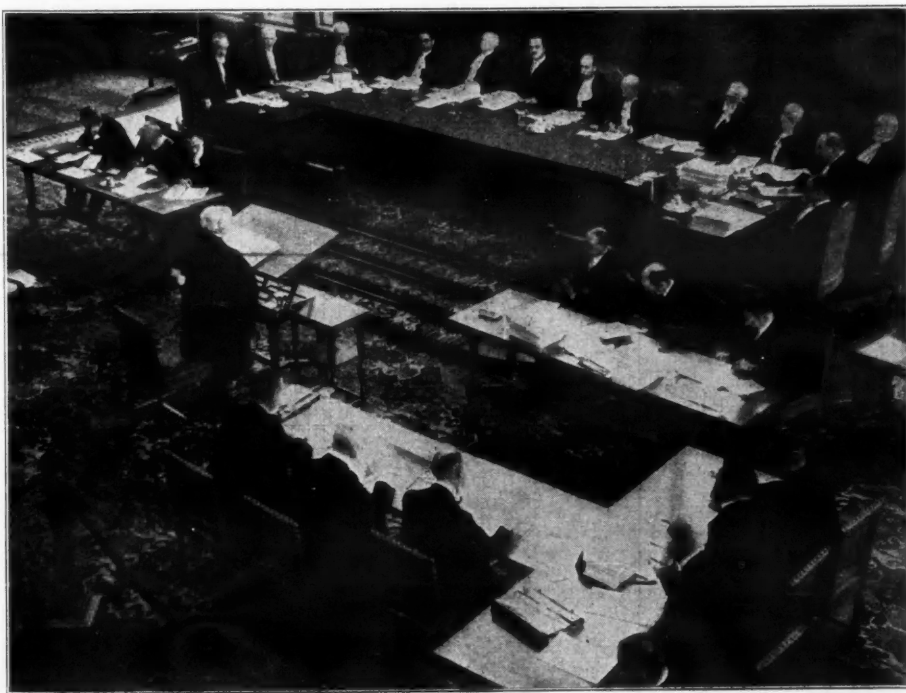
The other nations which belong to the Court would not accept American membership on these terms. They held that such conditions would kill the whole plan for advisory opinions. The United States might, of course, claim an interest in almost any question.

Then a compromise was worked out under the leadership of the veteran American statesman, Elihu Root. The Root-Hirst plan (Sir Cecil Hirst was the British representative who worked with Mr. Root) provided this procedure for advisory opinions: If the Court were asked to render an advisory opinion on any subject, the United States might object. If the other nations were willing to drop the matter, well and good. If they insisted, however, that despite the objection of the United States, the advisory opinion should be rendered, then the United States should have the right to withdraw from the Court and thus not become subject to such decision as the Court might render.

The other nations are willing for the United States to join the World Court on those terms. The president of the United States and our Department of State favor our doing so. The agreement has been duly signed, but to become effective it must be ratified by the United States Senate, and the issue of ratification is now before that body.

ROOSEVELT GAINS

New Hampshire was the first state to hold a primary at which the voters of the two parties might express their preference for a presidential candidate. There was no contest in the Republican Party. In the Democratic Party there was a fight for endorsement between Governor Franklin D. Roosevelt, of New York, and former Governor Alfred E. Smith, of the same state. This test of strength between the two candidates was closely watched. New Hampshire will not send many delegates to the convention, but Roosevelt's decisive victory in this first state primary will add considerably to his prestige as a candidate.



THE WORLD COURT MEETS

The Permanent Court of International Justice meets at least once a year at The Hague, Holland. Frank B. Kellogg, who is one of the judges, is third from left.

STUDIES IN VOCATIONAL GUIDANCE

I

THE LAW

Through an arrangement with the Institute for Research, of Chicago, we are able to present facts about vocations which the investigations of that organization have made available. The responsibility for statements made in this sketch is our own, but certain of the facts presented are derived from the studies prepared by the Institute. More complete material may be obtained from "Careers," a publication of the Institute for Research.

Probably there are few persons who are not interested directly or indirectly in the problem of vocational guidance. The boy or girl in high school or college is confronted by the necessity of choosing a life work at no distant day. Teachers have upon their shoulders the responsibility of advising their students what they may best do after the school days are over. Those who are neither teachers nor students ordinarily have an interest in suggesting the proper course of action for young relatives or friends who may reasonably look to them for counsel. We feel, therefore, that we may be meeting a quite general need by discussing various vocational possibilities.

Naturally we cannot, in the brief space at our command in our series of discussions, tell very much about any one occupation. We may, however, be able to supply pertinent facts respecting what the occupations have to offer, and we may at least emphasize the desirability of further studies by those who are chiefly concerned.

It is no doubt true that most young men and women make choices of vocations without having secured adequate information. The average boy or girl is acquainted with only a few occupations. One may have some knowledge of the occupations in which his relatives and a few friends engage. Certain kinds of work, especially the learned professions, have attracted such widespread attention that they are given consideration by most boys and girls; but few there are who have made anything like a careful survey of occupations, and not many young people have inquired into the kinds of activity which call for the exercise of talents which these young persons may possess. "Perhaps the worst phase of the matter," says Harry Dexter Kitson, one of the nation's leading authorities on vocational guidance, "is that most young people think of only a small stereotyped list of occupations. If one should ask the students in almost any high school or college, what vocation do you think you will enter? he would find that the

majority of the boys would name four occupations: doctor, lawyer, engineer, dentist, with a sprinkling of those who say 'business,' though they are in the dark as to what they mean by it. Seventy-five per cent of the girls would say they expect to become teachers or secretaries."

WHAT THE LAW OFFERS

The law as a vocation appeals particularly to boys, although an increasing number of women are pursuing that career. One-twentieth of the students enrolled in the law schools of the country are women. There are, of course, many kinds of legal work. One may specialize and become a criminal lawyer. One may gain publicity by the conduct of trials and may participate in dramatic situations, but this is not the best paid branch of the law and many lawyers do not consider it the most desirable. One may specialize as a corporation lawyer, studying the legal problems of business organizations. He may then secure fees for his work, or he may receive a fixed salary from a business company. The tax lawyer becomes an expert in studying state and federal tax laws and how they operate upon corporations and individuals. The real estate lawyer specializes on the laws of property. One may be a patent attorney, and there are, of course, other fields of specialists.

Many lawyers, of course, engage in the general practice which combines the fields we have mentioned. The greater number of all cases handled by lawyers have to do with suits for damages. Much of the work is not dramatic, like the courtroom activities, but calls for careful and painstaking study of details.

The legal profession is attractive from several points of view. It is regarded as a stepping-stone to the public life. While much of the work of the lawyer does not prepare one in any sense for official duties, the fact remains that our officers are chosen very largely from the ranks of this profession. The income of the lawyer depends upon his ability and upon the opportunities which he has. The income range is wide. A great number of those who are admitted to the bar fail to make a living. They then either abandon law altogether or do some legal work, supplementing their income with subsidiary activities, such as sale of real estate or collecting. Those who actually practice law make, on the average, quite a good thing

of it. The Institute for Research makes the following statement relative to the lawyer's income:

Since no statistics derived from any reliable source have ever been compiled, it is difficult to state with any degree of accuracy the average earning of the average practicing attorney. Such earnings have been estimated, however, to range as follows: \$600 a year during the first year of practice; \$1100 during the second; \$1600 during the third; \$2100 during the fourth; \$2500 during the fifth; \$3000 during the sixth; \$3800 during the seventh; \$4400 during the eighth; \$5000 during the ninth and \$5500 after the tenth year of practice. It should be borne in mind that these are only average figures and that many persons receive an income much less than the amounts above indicated and many, much more.

One who is considering the legal profession as a life work should ask himself several concrete questions. Among them should be these: (a) Have I proven, or can I prove, that I can stand with the top half of my class in scholarship? (b) Do I like reading and careful studying? (c) Have I enough energy and will power to work harder than my associates, on the average, do? (d) Am I in a position, or can I get myself in a position, to finish a college course and then to take a three years' course in law?

If all these questions can be answered in the affirmative, there may be good reasons for taking up law as a career. If any of them are answered in the negative, the presumption is against the desirability of choosing the legal profession.

OPERATIONS OF STOCK MARKET INVESTIGATED

(Concluded from page 2)

or liberals, who are suspicious of big business and who are inclined to think when things go wrong that "Wall Street" interests are responsible. Quite different from this group is a certain section of opinion among conservative political and business leaders. They fear attempts on the part of a discouraged and resentful people to regulate business in general more closely and to insist upon fundamental changes in our economic system. They would like to forestall such efforts by directing the wrath of the people against certain economic institutions already unpopular, like the Stock Exchange.

In opposition to the efforts which are being made to regulate stock market operations and to prohibit short selling, there are also two quite different classes. Most prominent business men appear to oppose such legislation, with the thought that it would hamper the work of a necessary part of our business machinery without doing any material good. Also in opposition to this legislation are a number of radicals, or liberals, who hold that our whole economic system needs overhauling and who think that a crusade against some special alleged abuse, like the practices of the stock market, tends merely to direct attention away from real and effective reform.

"LAME DUCKS"

The "Lame Duck" amendment, recently adopted by both houses of Congress, has been sent to the various states for ratification. The state legislature of Virginia has already approved the resolution. Other legislatures now in session have taken steps to consider it before they adjourn. Governor Franklin D. Roosevelt of New York sent a special message to the legislature of that state urging immediate ratification of the amendment. Most of the states, however, will have to wait until next January when their legislative bodies will meet to vote on the "Lame Duck" resolution.



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JOHN PHILIP SOUSA

Sousa's Passing A Loss to Music

"March King" Won World-Wide Acclaim for Himself and Band

The death of John Philip Sousa leaves a gap in the roll of the country's foremost artists which will in itself be a monument to his memory. This genial old man, composer of the stirring march tunes which have quickened the beat of millions of hearts for many years, passed away quietly in Reading, Pennsylvania, barely two hours after making a speech at a banquet given in his honor. While the taste for his inspiring music is not reserved to any one class of people, it was the school children of the country who felt the sharpest twinge of regret as the author of the tunes which first caught their imagination laid aside his baton for the last time.

While his life of seventy-seven years was devoted mainly to music, it cannot be said that this art was his first love. Strangely enough, his early ambition was to become a successful baker. After a short time at this trade, he was won over to the violin by his father, a musician in the Marine Band. Sousa's aptitude was not long in revealing itself. While in his early teens, he was instructing. At seventeen, he became a member of a famous orchestra, later assuming the leadership of his own company. For some time he toured about the country playing accompaniments to various musical plays.

In 1885, he took over the direction of the United States Marine Corps Band; from that time on, he was consistently turning out the swinging airs which will preserve his name for the future. Seven years later, he formed his own band, and began touring the world, playing before the common people and the nobility of all Europe. Several governments bestowed high state honors upon him for the artistry of his compositions, and the finesse with which his band executed them.

He made many tours about the United States, and in recent years, has made a specialty of appearing before school children who have shown an interest in music. It is said that he rarely refused to take a trip, no matter how far, if children petitioned him to come.

His most popular composition is "Stars and Stripes Forever." Others which have won acclaim are: "Semper Fidelis," "Washington Post," "King Cotton," and "El Capitan."

According to figures recently published by the Bureau of the Census, an average contribution of \$18.39 was made by every man, woman and child in the United States in 1930 to operate the various state governments. This was an increase of more than three hundred per cent in the cost of state governments since 1917.



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THE LAWYER IN ACTION—A SCENE IN A STATE SUPREME COURT